



STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.bpu.state.nj.us

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF)
NORTHSTAR TELECOM, INC. TO PROVIDE)
LOCAL EXCHANGE TELECOMMUNICATIONS)
SERVICES THROUGHOUT THE STATE OF)
NEW JERSEY)

ORDER

DOCKET NO. TE06040292

(SERVICE LIST ATTACHED)

BY THE BOARD:

Pursuant to N.J.S.A. 48:2-1 et seq. and Section 253 of the federal Telecommunications Act of 1996, 47 U.S.C. § 151 et seq., and by letter dated April 14, 2006, Northstar Telecom, Inc. ("Petitioner" or "Northstar") filed a Petition with the Board of Public Utilities ("Board") requesting authority to provide local exchange telecommunications services throughout the State of New Jersey. Petitioner requests confidential treatment of the financial information in Exhibit C of its Petition. Pursuant to the Open Public Records Act, N.J.S.A. 47: 1A-1 et seq., the Petitioner has submitted its financial information under seal and has included a sworn affidavit with substantiation for confidential treatment in order to limit the availability of proprietary information.

Northstar was incorporated under the laws of the State of Nebraska on July 2, 2004. Petitioner's principal offices are located at 1101 Hills Road, Fremont, Nebraska 68025. Petitioner submitted copies of its Articles of Incorporation, The State of Nebraska Certificate of Good Standing and its New Jersey Certificate of Authority to operate as a Foreign Corporation. According to the Petition, Northstar is currently authorized to provide local exchange telecommunications services in Colorado, Iowa, Minnesota, Nebraska, North Dakota and Washington. Petitioner states that it is currently providing service in Iowa, Minnesota, Nebraska and Washington but has not yet begun providing service in Colorado, North Dakota, Oregon and Wisconsin. Petitioner further states that it is in the process of obtaining such authority in approximately 10 additional states. Petitioner states that it will be providing resold and facilities-based/Unbundled Network Element ("UNE") services, and will also be relying upon the managerial and technical expertise of the incumbent local exchange carriers and facilities-based interexchange carriers which have been certified and deemed technically and managerially able to provide exchange services by the Board of Public Utilities. Petitioner plans to offer local exchange and interexchange services to both residential and business customers in all major metropolitan areas including Trenton, Princeton, Morristown, Elizabeth and Newark. Petitioner will initially provide and/or resell local exchange carrier ("LEC") services utilizing unbundled network elements to its end user customers.

Petitioner seeks authority to provide resale facilities based/UNE local exchange telecommunications services to both business and residential customers. Said services include, but are not limited to:

- (A) Local exchange services that will enable customers to originate and terminate local calls in the local calling area served by other LECs, including local dial tone and custom calling features.
- (B) Switched local exchange services such as flat-rated and measure-rated local services, vertical services, Direct Inward and Outward Dialed trunks, carrier access, public and semi-public coin telephone services, and any other switched local services that currently exist or will exist in the future.
- (C) Non-switched local services (e.g., private lines) that currently exist or will exist in the future.
- (D) Centrex and/or centrex-like services that currently exist or will exist in the future.
- (E) Digital subscriber lines, ISDN, frame-relay, and other high capacity line services.
- (F) Ancillary Services (911, directory listing, directory assistance, etc.).

Petitioner states that it has not been denied authority to provide services in any other state, nor have there been any civil or criminal proceedings against Petitioner in any jurisdiction. Petitioner further states that it has no current plans to install facilities in the State of New Jersey for the provision of local exchange service. If Petitioner decides to install such facilities in the future, it will provide voice and high speed data services through a combination of the latest technology switching and transport media comprised of the Lucent Technology 5 ESS Generic 13 switch module, ADSL/SDSL transport and Internet service equipment and the latest Optical multiplexer DAC's configurations. Petitioner states that the switching system consists of a central processing and control complex capable of interconnection as a peer to the incumbent as well as competitive local exchange companies. The hub portion of the switch will interconnect with the public switched network on Signaling System 7 or Feature Group D facilities. Petitioner's system's remote module capability will allow properties to be served in a manner that provides the exchange of appropriate signaling, control and calling/caller information to the network in accordance with network standards and specifications. Petitioner states that these services will be delivered over a combination of delivery mechanisms through incumbent local carriers' unbundled loop network, both copper and fiber and transport networks, as well as its own constructed facilities. Petitioner will combine switchless resale leasing of local loops, and/or purchasing UNE from Verizon and other carriers. Petitioner plans to provide basic telephone exchange services, data services, Internet, digital subscriber line service, access services, and features such as call waiting, call forwarding, speed dialing, distinctive ringing, and three-way calling to business and residential customers. Petitioner will also offer operator services, 911 and E911 service, directory listing, and third party calling arrangements as well as local calling services and per use services such as call return and redial. The toll free number for local customer service is 1-800-266-3930. Petitioner's registered Agent's name and address is: TCS Corporate Services, Inc., 14 Scenic Drive, Dayton, New Jersey 08810.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3 which require that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts ("USOA"), respectively. In the interest of efficiency and to prevent undue burden, Petitioner requests permission to maintain its books and records in accordance with Generally Accepted Accounting Principles and to keep all books, records, documents and other writings incident to the conduct of Petitioner's business in the State of New Jersey at Petitioner's corporate offices located at 1101 Hills Road, Fremont, Nebraska 68025. Petitioner states, upon written notice from the Board, it will provide its books and records at such time and

place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

Petitioner states that as market conditions warrant, it may augment its service offerings to include some facilities-based services. Petitioner asserts that expedited approval of its Petition will augment the competitive telecommunications services which it can offer to all New Jersey customers, including enhancing competition among LECs and increasing consumer choices. Petitioner states approval of this Petition will serve the public interest.

Petitioner states that as shown in the information contained in Exhibit B, it has all of the qualified personnel to provide competitive local exchange services, including accounting, engineering, sales, and all other personnel required to provide the proposed services.

DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. §151 et seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253(a)]

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner is in compliance with Board's filing requirements to provide telecommunications services in New Jersey.

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). The Board also considers the New Jersey State Legislature's declaration that it is the policy of the State to "provide diversity in the supply of telecommunications services" and the Legislature's findings that "competition will promote efficiency, reduce regulatory delay, and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed Northstar's Petition and the information supplied in support thereof, the Board FINDS that the Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES the Petitioner to provide local exchange telecommunications services throughout New Jersey subject to approval of its tariff. The Board also FINDS that in accordance with N.J.S.A. 48:2-59 and 48:2-60, and N.J.S.A. 52:27E-61 and 52:27E-62, the Petitioner is subject to an annual assessment by both the Board and the Division of the Ratepayer Advocate, respectively. The Board notes that the Petitioner will not be able to provide telecommunications services until a tariff is approved by the Board.

The Board HEREBY ORDERS that:

- 1) Petitioner file its tariff for Board approval

- 2) Pursuant to N.J.S.A. 48:2-16(2)(b) and N.J.A.C. 14:3-6.3, Petitioner shall file an annual report as of December 31 of each year, which is due on or before March 31 of the following year. Pursuant to N.J.S.A. 48:2-16.3, if Petitioner fails to file an annual report by the due date, Petitioner shall be subject to a penalty of Five Dollars and 00/100 (\$5.00) for each day thereafter until such report is filed.
- 3) Pursuant to N.J.S.A. 48:2-59 and 48:2-60, Petitioner shall file a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before June 1 the following year.


On or before February 1st of each year, the Petitioner will receive from the Division of Audits an annual report package and a statement of gross intrastate revenues from operations form for the preceding calendar year. The purpose of these documents is to report the company's financial information and gross intrastate revenues from operations as of December 31 of each year. The annual report and statement of gross intrastate revenues from operations form are due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not receive these documents, it is Petitioner's responsibility to obtain them from the Board. It is also the Petitioner's responsibility to ensure timely filing of these reports.

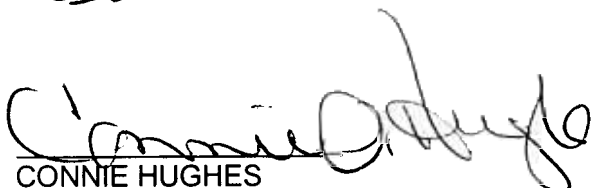
Regarding the Petitioner's request for waivers of the Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements that the Petitioner maintain its books and records under the USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board its books and records upon forty-eight (48) hours notice, and in the manner requested, and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination of these books and records, the Board APPROVES the Petitioner's request for the exemptions from maintaining its books and records in New Jersey and under the USOA.


DATED: 6/7/06

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT

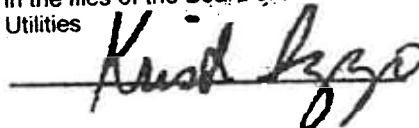

FREDERICK F. BUTLER
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COMMISSIONER

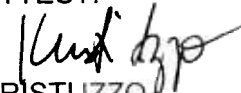

JOSEPH L. FIORDALISO
COMMISSIONER


CHRISTINE V. BATOR
COMMISSIONER

I HEREBY CERTIFY that the
document is a true copy of the original
in the files of the Board of Public
Utilities



ATTEST:


KRISTI IZZO
SECRETARY

IN THE MATTER OF THE PETITION FOR AN ORDER AUTHORIZING
NORTHSTAR TELECOM, INC. TO PROVIDE
LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
THROUGHOUT THE STATE OF NEW JERSEY
DOCKET NO. TE06040292

SERVICE LIST

Name and Address

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